

**FILED**

**MAY 20 1999**

PEGGY B. DEANS, CLERK  
U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF N.C.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION

IN RE:	)	
	)	
INTERNATIONAL HERITAGE, INC.	)	CHAPTER 7
	)	CASE NO. 98-02675-5-ATS
	)	
INTERNATIONAL HERITAGE,	)	
INCORPORATED,	)	CHAPTER 7
	)	CASE NO. 98-02674-5-ATS
Debtors.	)	

**EX PARTE**  
**MOTION TO FURTHER EXTEND TIME TO**  
**ASSUME OR REJECT EXECUTORY CONTRACT**

NOW COMES Holmes P. Harden, Trustee in the above-captioned case, and alleges:

1. Holmes P. Harden is the duly qualified and acting trustee herein.
2. An order for relief in the above-captioned cases was entered on November 25, 1998.
3. One or both of the debtors is party to a Director and Officer's Policy ("the policy") with TIG Insurance Company.
4. Trustee is informed and believes and therefore alleges that the policy is paid up for one year.
5. The policy contains the right to purchase "tail coverage" for matters occurring during the policy period which might give rise to claims made after the policy period. According to Paragraph IX of the policy, the right to extend the reporting period is exercisable upon payment of an additional premium. If it is in the best interest of the estate to buy tail coverage, Trustee believes that former officers and directors of the debtor should contribute to the purchase price. Trustee has not determined whether to purchase the extra coverage or whether former officers and directors of the debtor would agree to share the cost of purchasing tail coverage.
6. According to 11 U.S.C. § 365(d), executory contracts are deemed rejected by operation of law unless the Court extends the time within which the Trustee may assume or reject same. The time within which the Trustee may assume or reject in these cases originally expired on January 24, 1999, but this court extended the time to assume or reject to March 26, 1999, then further extended the time to assume or reject to May 21, 1999.

7. Trustee has contacted the agent for the coverage, Richard Corbin, and is informed and believes that the period within which tail coverage may be purchased runs to and including July 22, 1999. Trustee is further informed that the cost of one further year of coverage is \$85,000.00, plus applicable tax. The estate has no funds with which to purchase tail coverage at this time, but Trustee does not want to prejudice the estate's right to purchase such coverage or any officer or director's right to purchase such coverage.

8. Trustee does not contend or admit that the policy is executory, but Trustee believes it prudent to preserve the estate's rights to purchase tail coverage pending a determination whether the estate will pay any of the additional premium and the source of funds with which to pay the premium.

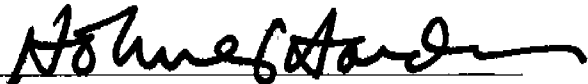
9. Trustee requests a further extension to and including July 22, 1999.

10. The requested extension does not impair the rights of any entity.

WHEREFORE, Trustee prays that this Court makes its order further extending the time within which he may assume or reject any executory contract existing between either or both of the Debtors and TIG Insurance Company up to and including July 22, 1999.

Respectfully submitted this 20th day of May, 1999.

MAUPIN TAYLOR & ELLIS, P.A.

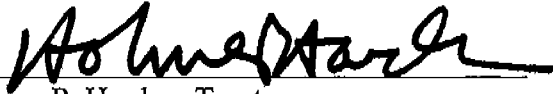
BY: 

Holmes P. Harden, Trustee  
3200 Beechleaf Court, Suite 500  
Post Office Drawer 19764  
Raleigh, North Carolina 27619-9764  
Telephone: 919/981-4000  
Facsimile: 919/981-4300

CERTIFICATE OF SERVICE

I, Holmes P. Harden, do hereby certify that the foregoing or attached document was served upon all parties of record by mailing a copy thereof to them at the addresses indicated below with the proper postage attached and deposited into an official depository under the exclusive care and custody of the United States Postal Service in Raleigh, North Carolina, on the 20th day of May, 1999.

MAUPIN TAYLOR & ELLIS, P.A.

BY:   
Holmes P. Harden, Trustee  
3200 Beechleaf Court, Suite 500  
Post Office Drawer 19764  
Raleigh, North Carolina 27619-9764  
Telephone: 919/981-4000  
Facsimile: 919/981-4300

SERVED:

Marjorie K. Lynch  
Bankruptcy Administrator  
Post Office Box 3039  
Raleigh, North Carolina 27602-3039  
Via Fax: 856-4692

Stephanie Humrickhouse  
Nicholls & Crampton, P. A.  
4300 Six Forks Road, Suite 700  
Raleigh, North Carolina 27619

Terri Gardner  
Smith Debnam Narron & Myers, L.L.P.  
Post Office Box 26268  
Raleigh, North Carolina 27611-6268  
Via Fax: 250-2100

Brent E. Wood  
Wood & Francis, P.L.L.C.  
Post Office Box 164  
Raleigh, North Carolina 27601  
Via Fax: 828-0804

Managing Agent  
TransAmerica-TIG Insurance  
650 California St. 2nd Floor  
San Francisco, California 94108-2702

Managing Agent  
R. W. Corbin Insurance Agency  
6512 Six Forks Road, Suite 102B  
Raleigh, North Carolina 27615

Trawick H. Stubbs, Jr.  
Stubbs & Perdue, P.A.  
Post Office Drawer 1654  
New Bern, North Carolina 28563

James A. Roberts, III  
Lewis & Roberts, PLLC  
Post Office Box 17529  
Raleigh, North Carolina 27619-7529